

Honolulu, Hawaii

February 4, 2014

RE: H.B. No. 1260
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Consumer Protection and Commerce, to which
was referred H.B. No. 1260, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AGRICULTURE,"

begs leave to report as follows:

The purpose of this measure is to expand the types of
agricultural commodities exempt from the general excise tax on
amounts received for loading, transporting, and unloading by
amending the definition of "agricultural commodity" to include
beef, beef carcasses, goat meat, goat carcasses, lamb meat, lamb
carcasses, sheep meat, sheep carcasses, milk, eggs, poultry meat,
and poultry carcasses, and aquaculture and aquaponic products to
be consumed in the State, whether imported or processed in the
State.

Hawaii Cattlemen's Council, 4 Ag Hawaii, Ulupono Initiative,
Hawaii Agriculture Research Center, Hawaii Farm Bureau Federation,
Hamakua County Farm Bureau, Hawaii Food Industry Association,
Young Brothers, Limited and several individuals testified in
support of this measure. The Department of Taxation provided
comments on this measure.

Your Committee has amended this measure by:

- (1) Adding cattle, goats, lambs, sheep, hogs, pork, pork
carcasses, chickens and milk products to the definition
of "agricultural commodity";

HB1260 HD2 HSCR CPC HMS 2014-1406

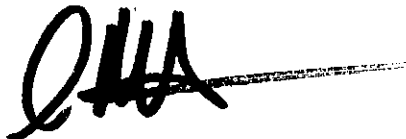


- (2) Clarifying the definition of "agricultural commodity" to include products of aquaculture and aquaponics to be consumed in the State, whether processed in the State or imported; and
- (3) Changing the effective date to July 1, 2014.

Your Committee respectfully notes that the agricultural commodities exemption applies to intrastate shipping of agricultural commodities.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1260, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 1260, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection and Commerce,



ANGUS L.K. McKELVEY, Chair



HSCR 116-14

Bill/Resolution No.: HB 1260, HD1		Committee Referral: AGR, CPL, FIN		Date: 01/27/14
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to:				
<input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. KAWAKAMI, Derek S.K. (VC)	/			
3. BELATTI, Della Au				/
4. BROWER, Tom	/			
5. CACHOLA, Romy M.	/			
6. CREAGAN, Richard	/			
7. EVANS, Cindy	/			
8. HAR, Sharon E.				/
9. ITO, Ken	/			
10. LEE, Chris	/			
11. NAKASHIMA, Mark M.	/			
12. OSHIRO, Marcus R.	/			
13. TSUJI, Clift	/			
14. YAMANE, Ryan I.	/			
15. MCDERMOTT, Bob	/			
16. THIELEN, Cynthia				/
TOTAL (16)	13			3
The recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				